

Fill in this information to identify your case:

United States Bankruptcy Court for the:

NORTHERN DISTRICT OF TEXAS

Case number (if known)

Chapter

11

☐ Check if this an amended filing

Official Form 201

Voluntary Petition for Non-Individuals Filing for Bankruptcy

06/22

If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and the case number (if known). For more information, a separate document, *Instructions for Bankruptcy Forms for Non-Individuals*, is available.

1. Debtor's name Formation Holdings, LLC

2. All other names debtor used in the last 8 years

DBA Worth Steel Fabrication

Include any assumed names, trade names and doing business as names

3. Debtor's federal Employer Identification Number (EIN) 86-2416907

4. Debtor's address

Principal place of business

Mailing address, if different from principal place of business

P.O. Box 11186  
Fort Worth, TX 76110

Number, Street, City, State & ZIP Code

Tarrant  
County

P.O. Box, Number, Street, City, State & ZIP Code

Location of principal assets, if different from principal place of business

316 County Rd 904 Joshua, TX 76058  
Number, Street, City, State & ZIP Code

5. Debtor's website (URL) https://worthsteelfab.com/

6. Type of debtor

☒ Corporation (including Limited Liability Company (LLC) and Limited Liability Partnership (LLP))

☐ Partnership (excluding LLP)

☐ Other. Specify:

Debtor **Formation Holdings, LLC** Case number (if known) \_\_\_\_\_  
Name

**7. Describe debtor's business**

*A. Check one:*

- ☐ Health Care Business (as defined in 11 U.S.C. § 101(27A))
- ☐ Single Asset Real Estate (as defined in 11 U.S.C. § 101(51B))
- ☐ Railroad (as defined in 11 U.S.C. § 101(44))
- ☐ Stockbroker (as defined in 11 U.S.C. § 101(53A))
- ☐ Commodity Broker (as defined in 11 U.S.C. § 101(6))
- ☐ Clearing Bank (as defined in 11 U.S.C. § 781(3))
- ☒ None of the above

*B. Check all that apply*

- ☐ Tax-exempt entity (as described in 26 U.S.C. §501)
- ☐ Investment company, including hedge fund or pooled investment vehicle (as defined in 15 U.S.C. §80a-3)
- ☐ Investment advisor (as defined in 15 U.S.C. §80b-2(a)(11))

*C. NAICS (North American Industry Classification System) 4-digit code that best describes debtor. See <http://www.uscourts.gov/four-digit-national-association-naics-codes>.*

**3312**

**8. Under which chapter of the Bankruptcy Code is the debtor filing?**

*Check one:*

- ☐ Chapter 7
- ☐ Chapter 9

☒ Chapter 11. *Check all that apply:*

- ☐ The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D), and its aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$3,024,725. If this sub-box is selected, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return or if any of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).
- ☒ The debtor is a debtor as defined in 11 U.S.C. § 1182(1), its aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$7,500,000, **and it chooses to proceed under Subchapter V of Chapter 11**. If this sub-box is selected, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return, or if any of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).
- ☐ A plan is being filed with this petition.
- ☐ Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
- ☐ The debtor is required to file periodic reports (for example, 10K and 10Q) with the Securities and Exchange Commission according to § 13 or 15(d) of the Securities Exchange Act of 1934. File the *Attachment to Voluntary Petition for Non-Individuals Filing for Bankruptcy under Chapter 11* (Official Form 201A) with this form.
- ☐ The debtor is a shell company as defined in the Securities Exchange Act of 1934 Rule 12b-2.

☐ Chapter 12

**9. Were prior bankruptcy cases filed by or against the debtor within the last 8 years?**

- ☒ No.
- ☐ Yes.

If more than 2 cases, attach a separate list.

District	_____	When	_____	Case number	_____
District	_____	When	_____	Case number	_____

Case number (if known)

- ☐ No  
☐ Yes.

Debtor	Relationship
District	Case number, if known
When	

- Check all that apply:

- ☐
- No

☐ Yes.☐ Other☐ No

- Phone

Check one:

- Funds will be available for distribution to unsecured creditors.

- 1-49

- 50-99

- ☐ 100-199

- 200-999

- ☐
- 1,000-5,000

- ☐
- 5001-10,000

- ☐
- 10,001-25,000

- ☐
- 25,001-50,000

- ☐
- 50,001-100,000

- ☐
- More than 100,000

- ☐
- \$0 - \$50,000

- ☐
- \$50,001 - \$100,000

- ☐
- \$100,001 - \$500,000

- ☐
- \$500,001 - \$1 million

- \$1,000,001 - \$10 million

- ☐
- \$10,000,001 - \$50 million

- ☐
- \$50,000,001 - \$100 million

- ☐
- \$100,000,001 - \$500 million

- ☐
- \$500,000,001 - \$1 billion

- ☐
- \$1,000,000,001 - \$10 billion

- ☐
- \$10,000,000,001 - \$50 billion

- ☐
- More than \$50 billion

- ☐
- \$0 - \$50,000

- \$1,000,001 - \$10 million

- ☐
- \$500,000,001 - \$1 billion

Debtor

**Formation Holdings, LLC**

Case number (if known)

Name

- ☐ \$50,001 - \$100,000
- ☐ \$100,001 - \$500,000
- ☐ \$500,001 - \$1 million

- ☐ \$10,000,001 - \$50 million
- ☐ \$50,000,001 - \$100 million
- ☐ \$100,000,001 - \$500 million

- ☐ \$1,000,000,001 - \$10 billion
- ☐ \$10,000,000,001 - \$50 billion
- ☐ More than \$50 billion

Debtor **Formation Holdings, LLC** Case number (if known) \_\_\_\_\_  
Name

**Request for Relief, Declaration, and Signatures**

**WARNING** -- Bankruptcy fraud is a serious crime. Making a false statement in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

**17. Declaration and signature  
of authorized  
representative of debtor**

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

I have been authorized to file this petition on behalf of the debtor.

I have examined the information in this petition and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on **April 16, 2024**  
MM / DD / YYYY

**X /s/ Tanner West**

Signature of authorized representative of debtor

**Tanner West**

Printed name

Title **Chief Executive Officer**

**18. Signature of attorney**

**X /s/ Bryan C. Assink**

Signature of attorney for debtor

Date **April 16, 2024**

MM / DD / YYYY

**Bryan C. Assink**

Printed name

**Bonds Ellis Eppich Schafer Jones LLP**

Firm name

**420 Throckmorton Street, Suite 1000**

**Fort Worth, TX 76102**

Number, Street, City, State & ZIP Code

Contact phone **817-405-6900**

Email address **bryan.assink@bondsellis.com**

**24089009 TX**

Bar number and State

**UNANIMOUS WRITTEN CONSENT IN LIEU OF SPECIAL MEETING  
OF THE MEMBERS OF FORMATION HOLDINGS, LLC**

**Effective Date: April 15, 2024**

The undersigned, being all of the members (the “**Members**”) of **FORMATION HOLDINGS, LLC DBA WORTH STEEL FABRICATION**, a Texas limited liability company (the “**Company**”), hereby waive notice of time, place, and purpose of a special meeting of the Members and hereby declare that when the undersigned have signed this Written Consent (this “**Consent**”), the following resolutions shall then be consented to, approved, and adopted to the same extent and with the same force and effect as if adopted at a special meeting of the Members, duly called and held for the purpose of acting upon a proposal to adopt such resolutions.

WHEREAS, the Members have considered presentations by the Company’s management (“**Management**”) and its legal and financial advisors (collectively, the “**Advisors**”) regarding (a) the assets, the current and long-term liabilities, the historical performance, liquidity, and prospects of the Company, (b) the strategic alternatives available to the Company, and (c) the potential effects of the foregoing on the Company’s business and stakeholders (collectively, the “**Strategic Alternatives**”); and

WHEREAS, the Members have received, reviewed, considered and discussed the recommendations of management and the Company’s advisors and fully considered the strategic alternatives available to the Company, including the relative risks and benefits of pursuing bankruptcy proceedings under the provisions of chapter 11 of title 11 of the United State Code (the “**Bankruptcy Code**”), and have determined that it is desirable and in the best interests of the Company, its creditors, its stockholders and other interested parties and stakeholders that the Company file a voluntary petition for relief to commence a case (the “**Bankruptcy Case**”) under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas (the “**Bankruptcy Court**”).

**NOW THEREFORE, BE IT RESOLVED**, that the Company be, and hereby is, authorized, empowered, and directed to (i) file the Voluntary Petition pursuant to the Bankruptcy Code with Bankruptcy Court, or with any other appropriate bankruptcy court with jurisdiction; and (ii) perform any and all such acts as the Authorized Person (as defined below) determines to be necessary, required, advisable, or appropriate to effectuate the foregoing (the “**Related Actions**”);

**RESOLVED FURTHER**, that any officer, director, manager, or other authorized person of the Company or any of their delegates (each individually, an “**Authorized Person**” and collectively, the “**Authorized Persons**”) shall be, and each of them, acting alone, hereby is, authorized and empowered in the name of and on behalf of the Company to verify, modify (as necessary or desirable), execute, and/or file or cause to be filed the Petition, any ancillary documents, and all other schedules, lists, motions, applications, and other papers or documents necessary or desirable in connection with the foregoing in such form or forms as any such Authorized Person may approve;

**RESOLVED, FURTHER**, that Michael Jarrard, Chris Jarrard, and Tanner West, in their respective capacities as officers and/or managers of the Company, shall be Authorized Persons and are hereby authorized, empowered, and directed, for and in the name and on behalf of the Company, to (i) execute, file and deliver the Voluntary Petition, and (ii) perform any and all of the Related Actions;

**RESOLVED, FURTHER**, that each Authorized Person is hereby authorized, empowered, and directed, for and in the name and on behalf of the Company, to take such further actions and to execute, deliver, and file (i) such other documents, agreements, instruments, certificates, consents, instructions, and/or other assurances as may be necessary, required, advisable, or appropriate to consummate the Bankruptcy Case and as may be contemplated by the Voluntary Petition, and (ii) any supplements, modifications, or amendments to the Voluntary Petition as may, in the judgment of the Authorized Persons, be deemed necessary, required, advisable, or appropriate in connection with the Bankruptcy Case in each case, the Authorized Person's execution and delivery thereof to be conclusive evidence of such approval;

**RESOLVED, FURTHER**, that, in addition to, and without limiting in any manner, the authority granted by the Members hereunder, each Authorized Person is hereby authorized, empowered, and directed, for and in the name and on behalf of the Company, and with the authority to act without any other officer of the Company, to: (i) take, or cause to be taken, all such further action; (ii) do and perform, or cause to be done and performed, all such acts and things; (iii) execute and deliver, or cause to be executed and delivered, all such further documents, papers, agreements, instruments, certificates, consents, instructions, and/or other assurances of any type or description; and (iv) pay, or cause to be paid, any and all fees, charges, and costs of any type or description, all of which as may be necessary or advisable to effect the purposes and intent of the actions authorized and approved by the Members hereunder. The necessity, advisability, desirability, and propriety of the foregoing shall be conclusively established and evidenced by the actions taken by the Authorized Persons;

**RESOLVED FURTHER**, that each of the Authorized Persons, acting individually and with full power of substitution, be, and hereby is, authorized, empowered and directed to retain the following professionals on behalf of the Company: (i) Bryan Assink and the law firm of Bonds Ellis Eppich Schafer Jones LLP, as general bankruptcy counsel; and (ii) any other legal counsel, accountants, financial advisors, restructuring advisors, or other professionals as such Authorized Person deems necessary, appropriate, or advisable to represent and assist the Company in carrying out its duties and responsibilities and exercising its rights under the Bankruptcy Code and any applicable law (including, but not limited to, the law firms filing any pleadings or responses) and to take any and all actions to advance the rights and obligations of the Company, including filing any motions, objections, replies, applications, or pleadings; and in connection therewith, each of the Authorized Persons be, and hereby is authorized, empowered, and directed, in accordance with the terms and conditions hereof, to execute appropriate retention agreements, pay appropriate retainers, and to cause to be filed appropriate applications for authority to retain such services;

**RESOLVED FURTHER**, that each of the Authorized Persons be, and hereby are, authorized and empowered and directed to execute and file all petitions, schedules, motions, lists, applications, pleadings, or other papers, and to perform such further actions and execute such further documentation that the Authorized Persons in their absolute discretion deem necessary,

appropriate, or desirable in accordance with these resolutions;

**RESOLVED FURTHER**, that each Member has received sufficient notice of the actions and transactions relating to the matters contemplated by the foregoing resolutions, as may be required by the organizational documents of the Company, or hereby waive any right to have received such notice;

**RESOLVED, FURTHER**, that all actions of any nature whatsoever heretofore taken by the Authorized Persons and by each of the officers, agents, attorneys, and other representatives of the Company incidental to, contemplated by, arising out of or in connection with or otherwise relating to the actions authorized and approved by the Members hereunder are each hereby authorized, approved, ratified, confirmed, and adopted in all respects; and

**RESOLVED, FURTHER**, that this Consent may be executed in one or more counterparts (including by facsimile, email, PDF, or other electronic transmission), each of which will be deemed an original but all of which together will constitute one and the same instrument.

**[SIGNATURE PAGE FOLLOWS]**




**IN WITNESS WHEREOF**, the undersigned Members of the Company have executed this Consent to be effective as of the Effective Date.

By: SKYWARD FORGE, LP, Member of Formation Holdings LLC

By: SKYWARD FORGE GP, LLC, General Partner of Skyward Forge, LP

By:   
Michael Jarrard (Apr 16, 2024 11:04 MDT)  
Michael Jarrard, Managing Member of  
Skyward Forge GP, LLC

By: ECHO FINANCIAL LLC, Member of Formation Holdings LLC

By:   
Barry Stem, Manager of Echo Financial LLC

By: SKYWARD FORGE CAPITAL VENTURES, LLC, Manager of Echo Financial LLC

By:   
Michael Jarrard (Apr 16, 2024 11:04 MDT)  
Michael Jarrard, Member of  
Skyward Forge Capital Ventures, LLC

By:   
Amy Jarrard (Apr 16, 2024 12:10 CDT)  
Amy Jarrard, Member of  
Skyward Forge Capital Ventures, LLC


By: THE WIND RIVER TRUST, Manager of Echo Financial LLC

By:   
Christopher Jarrard (Apr 16, 2024 12:20 CDT)  
Christopher M. Jarrard, Trustee of  
The Wind River Trust

By: ASPEN WEST IRREVOCABLE TRUST, Manager of Echo Financial LLC

By:   
Tanner West (Apr 16, 2024 12:12 CDT)  
Tanner D. West, Trustee of  
Aspen West Irrevocable Trust

By: FORMATION EXPLORATION AND HOLDINGS, LLC, Member of Formation Holdings LLC

By:   
John Coffey (Apr 16, 2024 12:52 CDT)  
John Coffey, Member of Formation Exploration and Holdings, LLC

**Fill in this information to identify the case:**

Debtor name **Formation Holdings, LLC**  
 United States Bankruptcy Court for the: **NORTHERN DISTRICT OF TEXAS**  
 Case number (if known): \_\_\_\_\_

☐ Check if this is an amended filing

## Official Form 204

### Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders

12/15

A list of creditors holding the 20 largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person or entity who is an insider, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 20 largest unsecured claims.

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
316 Joshua LLC 3000 Race Street #100 Fort Worth, TX 76111		Lease				\$42,086.02
Aries Building Systems LLC PO Box 95507 Chicago, IL 60694		Lease				\$41,430.96
Azz Metal Coatings PO Box 843771 Dallas, TX 75284-3771		Trade debt				\$38,077.79
Cadd Alata 296 Kaska Rd Sherwood Park, AB T8a 4G7		Trade debt				\$59,217.50
Comptroller of Public Accounts P.O. Box 149358 Austin, TX 78714		Sales taxes				\$237,510.59
Delta Steel PO Box 849086 Dallas, TX 75284-9086		Trade debt				\$53,992.72
Frontier Bolt Company 555 Airport Drive Mansfield, TX 76063		Trade debt				\$140,778.56
Gerdau P.O. Box 731478 Dallas, TX 75373-1478						\$25,779.08
KloECKner Metals P.O. Box 842820 Dallas, TX 75284-2820		Trade debt				\$65,408.87

Debtor **Formation Holdings, LLC**  
Name

Case number (if known)

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services,	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
McNichols Co P.O. Box 779248 Chicago, IL 60677-9248		Trade debt				\$55,062.88
Mid-South Metals LLC Accounts Receivable 3849 Southern Ave. Shreveport, LA 71106		Trade debt				\$50,297.75
Miner Grating Systems 37659 Eagle Way Chicago, IL 60678-1376		Trade debt				\$33,267.00
NMBS LLC-Hope P.O. Box 675007 Dallas, TX 75267-5007						\$114,965.00
Norton Metals P.O. Box 3488 Dept 05-224 Tupelo, MS 38803-3488		Trade debt				\$44,636.60
NUCOR Yamato Steel Co. P.O. Box 101418 Atlanta, GA 30392		Trade debt				\$44,939.48
O'Neal Steel LLC P.O. Box 934243 Atlanta, GA 31193-4243		Trade debt				\$51,076.50
Oates Metal Decking & Building Products 450 Preston Ave Pasadena, TX 77503		Trade debt				\$51,076.50
Peddinghaus Corporation 301 N. Washington Ave Bradley, IL 60915						\$44,946.16
Service Steel Warehouse LP PO Box 843965 Dallas, TX 75284		Trade debt				\$135,898.22
Turbo Freight, LLC P.O. Box 1225 Burleson, TX 76097-1225		Trade debt				\$38,325.00

**Fill in this information to identify the case:**

Debtor name Formation Holdings, LLC

United States Bankruptcy Court for the: NORTHERN DISTRICT OF TEXAS

Case number (if known) \_\_\_\_\_

☐ Check if this is an amended filing

Official Form 202

**Declaration Under Penalty of Perjury for Non-Individual Debtors**

12/15

An individual who is authorized to act on behalf of a non-individual debtor, such as a corporation or partnership, must sign and submit this form for the schedules of assets and liabilities, any other document that requires a declaration that is not included in the document, and any amendments of those documents. This form must state the individual's position or relationship to the debtor, the identity of the document, and the date. Bankruptcy Rules 1008 and 9011.

**WARNING -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.**

**Declaration and signature**

I am the president, another officer, or an authorized agent of the corporation; a member or an authorized agent of the partnership; or another individual serving as a representative of the debtor in this case.

I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct:

- ☐ *Schedule A/B: Assets—Real and Personal Property* (Official Form 206A/B)
- ☐ *Schedule D: Creditors Who Have Claims Secured by Property* (Official Form 206D)
- ☐ *Schedule E/F: Creditors Who Have Unsecured Claims* (Official Form 206E/F)
- ☐ *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G)
- ☐ *Schedule H: Codebtors* (Official Form 206H)
- ☐ *Summary of Assets and Liabilities for Non-Individuals* (Official Form 206Sum)
- ☐ *Amended Schedule*
- ☒ *Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders* (Official Form 204)
- ☐ Other document that requires a declaration \_\_\_\_\_

I declare under penalty of perjury that the foregoing is true and correct.

Executed on April 16, 2024

**X /s/ Tanner West**

Signature of individual signing on behalf of debtor

**Tanner West**

Printed name

**Chief Executive Officer**

Position or relationship to debtor

**United States Bankruptcy Court  
Northern District of Texas**

In re **Formation Holdings, LLC**

Debtor(s)

Case No.  
Chapter

**11**

**LIST OF EQUITY SECURITY HOLDERS**

Following is the list of the Debtor's equity security holders which is prepared in accordance with rule 1007(a)(3) for filing in this Chapter 11 Case

Name and last known address or place of business of holder	Security Class	Number of Securities	Kind of Interest
<b>Echo Financial, LLC</b> <b>2425 College Avenue</b> <b>Fort Worth, TX 76110</b>	<b>Membership</b>	<b>45%</b>	
<b>Formation Exploration &amp; Holdings, LLC</b> <b>14857 Gentry Drive</b> <b>Aledo, TX 76008</b>	<b>Membership</b>	<b>10%</b>	
<b>Skyward Forge, LP</b> <b>1565 West Main Street</b> <b>Suite 208 PMB 332</b> <b>Lewisville, TX 75067</b>	<b>Membership</b>	<b>45%</b>	

**DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP**

I, the **Chief Executive Officer** of the corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing List of Equity Security Holders and that it is true and correct to the best of my information and belief.

Date **April 16, 2024**

Signature **/s/ Tanner West**  
**Tanner West**

*Penalty for making a false statement of concealing property: Fine of up to \$500,000 or imprisonment for up to 5 years or both.  
18 U.S.C. §§ 152 and 3571.*

Form

Department of the Treasury  
Internal Revenue Service**1065****U.S. Return of Partnership Income**For calendar year 2022, or tax year beginning \_\_\_\_\_, 2022, ending \_\_\_\_\_, 20\_\_\_\_\_.  
Go to **www.irs.gov/Form1065** for instructions and the latest information.**2022****A** Principal business activityMETAL MANUFACTU  
RING**B** Principal product or service

FABRICATION

**C** Business code number

331200

**Type  
or  
Print**

Name of partnership

FORMATION HOLDINGS LLC  
DBA WORTH STEEL FABRICATION

Number, street, and room or suite no. If a P.O. box, see instructions.

24026 COUNTY ROAD 3118

City or town, state or province, country, and ZIP or foreign postal code

WINONA, TX 75792

**D** Employer identification number

86-2416907

**E** Date business started

01/01/2021

**F** Total assets  
(see instructions)

\$ 1,867,016.

**G** Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return**H** Check accounting method: (1) ☐ Cash (2) ☒ Accrual (3) ☐ Other (specify):**I** Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year: 3**J** Check if Schedules C and M-3 are attached. ☐**K** Check if partnership: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes**Caution:** Include **only** trade or business income and expenses on lines 1a through 22 below. See instructions for more information.

<b>Income</b>	<b>1a</b> Gross receipts or sales. . . . .	<b>1a</b>	8,309,091.	
	<b>b</b> Returns and allowances. . . . .	<b>1b</b>		
	<b>c</b> Balance. Subtract line 1b from line 1a . . . . .	<b>1c</b>		8,309,091.
	<b>2</b> Cost of goods sold (attach Form 1125-A). . . . .	<b>2</b>		5,585,620.
	<b>3</b> Gross profit. Subtract line 2 from line 1c . . . . .	<b>3</b>		2,723,471.
	<b>4</b> Ordinary income (loss) from other partnerships, estates, and trusts (attach statement). . . . .	<b>4</b>		
	<b>5</b> Net farm profit (loss) (attach Schedule F (Form 1040)). . . . .	<b>5</b>		
	<b>6</b> Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797) . . . . .	<b>6</b>		
<b>7</b> Other income (loss) (attach statement) . . . . .	<b>7</b>			
<b>8</b> <b>Total income (loss).</b> Combine lines 3 through 7 . . . . .	<b>8</b>		2,723,471.	
<b>Deductions</b> (see instructions for limitations)	<b>9</b> Salaries and wages (other than to partners) (less employment credits) . . . . .	<b>9</b>		582,809.
	<b>10</b> Guaranteed payments to partners. . . . .	<b>10</b>		
	<b>11</b> Repairs and maintenance . . . . .	<b>11</b>		
	<b>12</b> Bad debts . . . . .	<b>12</b>		
	<b>13</b> Rent . . . . .	<b>13</b>		140,853.
	<b>14</b> Taxes and licenses. . . . .	<b>14</b>	SEE. STATEMENT. 1.	543,109.
	<b>15</b> Interest (see instructions) . . . . .	<b>15</b>	SEE. STATEMENT. 1.	102,750.
	<b>16a</b> Depreciation (if required, attach Form 4562). . . . .	<b>16a</b>	135,219.	
	<b>b</b> Less depreciation reported on Form 1125-A and elsewhere on return	<b>16b</b>		
	<b>16c</b>		135,219.	
	<b>17</b> Depletion ( <b>Do not deduct oil and gas depletion.</b> ) . . . . .	<b>17</b>		
<b>18</b> Retirement plans, etc. . . . .	<b>18</b>			
<b>19</b> Employee benefit programs . . . . .	<b>19</b>		18,897.	
<b>20</b> Other deductions (attach statement) . . . . .	<b>20</b>	SEE. STATEMENT. 1.	706,929.	
<b>21</b> <b>Total deductions.</b> Add the amounts shown in the far right column for lines 9 through 20 . . . . .	<b>21</b>		2,230,566.	
<b>22</b> <b>Ordinary business income (loss).</b> Subtract line 21 from line 8 . . . . .	<b>22</b>		492,905.	
<b>Tax and Payment</b>	<b>23</b> Interest due under the look-back method - completed long-term contracts (attach Form 8697) . . . . .	<b>23</b>		
	<b>24</b> Interest due under the look-back method - income forecast method (attach Form 8866) . . . . .	<b>24</b>		
	<b>25</b> BBA AAR imputed underpayment (see instructions) . . . . .	<b>25</b>		
	<b>26</b> Other taxes (see instructions) . . . . .	<b>26</b>		
	<b>27</b> <b>Total balance due.</b> Add lines 23 through 26 . . . . .	<b>27</b>		
	<b>28</b> Payment (see instructions). . . . .	<b>28</b>		
	<b>29</b> <b>Amount owed.</b> If line 28 is smaller than line 27, enter amount owed. . . . .	<b>29</b>		
	<b>30</b> <b>Overpayment.</b> If line 28 is larger than line 27, enter overpayment . . . . .	<b>30</b>		

**Sign  
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than partner or limited liability company member) is based on all information of which preparer has any knowledge.

MEMBER

TANNER WEST

06/26/2023

Signature of partner or limited liability company member

Date

May the IRS discuss this return with the preparer shown below? See instructions. ☒ Yes ☐ No**Paid  
Preparer  
Use Only**

Print/Type preparer's name

CHARLES S GREGG, PARTNER

Preparer's signature

Date

Check ☐ if self-employed

PTIN

P01591462

Firm's name

HARTMAN WANZOR MCNAMARA LLP

Firm's EIN

46-5532909

Firm's address

6050 SOUTHWEST BLVD., SUITE 150  
FORT WORTH, TX 76109

Phone no.

817-529-3930

For Paperwork Reduction Act Notice, see separate instructions.

Form **1065** (2022)

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**Schedule B Other Information**

<b>1</b> What type of entity is filing this return? Check the applicable box:				<b>Yes</b>	<b>No</b>
<b>a</b> <input type="checkbox"/> Domestic general partnership	<b>b</b> <input type="checkbox"/> Domestic limited partnership				
<b>c</b> <input checked="" type="checkbox"/> Domestic limited liability company	<b>d</b> <input type="checkbox"/> Domestic limited liability partnership				
<b>e</b> <input type="checkbox"/> Foreign partnership	<b>f</b> <input type="checkbox"/> Other:				
<b>2</b> At the end of the tax year:					
<b>a</b> Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership . . . . .					X
<b>b</b> Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership . . . . .					X
<b>3</b> At the end of the tax year, did the partnership:					
<b>a</b> Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below . . . . .					X
(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock		
<b>b</b> Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below . . . . .					X
(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital	
<b>4</b> Does the partnership satisfy <b>all four</b> of the following conditions?				<b>Yes</b>	<b>No</b>
<b>a</b> The partnership's total receipts for the tax year were less than \$250,000.					
<b>b</b> The partnership's total assets at the end of the tax year were less than \$1 million.					
<b>c</b> Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.					
<b>d</b> The partnership is not filing and is not required to file Schedule M-3. . . . . If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; item F on page 1 of Form 1065; or item L on Schedule K-1.					X
<b>5</b> Is this partnership a publicly traded partnership, as defined in section 469(k)(2)? . . . . .					X
<b>6</b> During the tax year, did the partnership have any debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? . . . . .					X
<b>7</b> Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction? . . . . .					X
<b>8</b> At any time during calendar year 2022, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes," enter the name of the foreign country . . . . .					X
<b>9</b> At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions . . . . .					X
<b>10a</b> Is the partnership making, or had it previously made (and not revoked), a section 754 election? . . . . . See instructions for details regarding a section 754 election.					X
<b>b</b> Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions . . . . .					X
<b>c</b> Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions . . . . .					X

**Schedule B Other Information (continued)**

	Yes	No
<b>11</b> Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly owned by the partnership throughout the tax year) . . . . . <input type="checkbox"/>		
<b>12</b> At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property? . . . . .		X
<b>13</b> If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect to Foreign Disregarded Entities (FDEs) and Foreign Branches (FBs), enter the number of Forms 8858 attached. See instructions. . . . .		
<b>14</b> Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership . . . . .		X
<b>15</b> Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return . . . . .		
<b>16a</b> Did you make any payments in 2022 that would require you to file Form(s) 1099? See instructions . . . . .	X	
<b>b</b> If "Yes," did you or will you file required Form(s) 1099? . . . . .	X	
<b>17</b> Enter the number of Forms 5471, Information Return of U.S. Persons With Respect to Certain Foreign Corporations, attached to this return . . . . .		
<b>18</b> Enter the number of partners that are foreign governments under section 892 . . . . .		
<b>19</b> During the partnership's tax year, did the partnership make any payments that would require it to file Forms 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474)? . . . . .		X
<b>20</b> Was the partnership a specified domestic entity required to file Form 8938 for the tax year? See the Instructions for Form 8938 . . . . .		X
<b>21</b> Is the partnership a section 721(c) partnership, as defined in Regulations section 1.721(c)-1(b)(14)? . . . . .		X
<b>22</b> During the tax year, did the partnership pay or accrue any interest or royalty for which one or more partners are not allowed a deduction under section 267A? See instructions . . . . . If "Yes," enter the total amount of the disallowed deductions . . . . . \$		X
<b>23</b> Did the partnership have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions . . . . .		X
<b>24</b> Does the partnership satisfy one or more of the following? See instructions . . . . . <b>a</b> The partnership owns a pass-through entity with current, or prior year carryover, excess business interest expense. <b>b</b> The partnership's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$27 million and the partnership has business interest expense. <b>c</b> The partnership is a tax shelter (see instructions) and the partnership has business interest expense. If "Yes" to any, complete and attach Form 8990.		X
<b>25</b> Is the partnership attaching Form 8996 to certify as a Qualified Opportunity Fund? . . . . . If "Yes," enter the amount from Form 8996, line 15 . . . . . \$		X
<b>26</b> Enter the number of foreign partners subject to section 864(c)(8) as a result of transferring all or a portion of an interest in the partnership or of receiving a distribution from the partnership. . . . . Complete Schedule K-3 (Form 1065), Part XIII, for each foreign partner subject to section 864(c)(8) on a transfer or distribution.		
<b>27</b> At any time during the tax year, were there any transfers between the partnership and its partners subject to the disclosure requirements of Regulations section 1.707-8? . . . . .		X
<b>28</b> Since December 22, 2017, did a foreign corporation directly or indirectly acquire substantially all of the properties constituting a trade or business of your partnership, and was the ownership percentage (by vote or value) for purposes of section 7874 greater than 50% (for example, the partners held more than 50% of the stock of the foreign corporation)? If "Yes," list the ownership percentage by vote and by value. See instructions. Percentage: _____ By vote: _____ By value: _____		X
<b>29</b> Reserved for future use . . . . .		
<b>30</b> Is the partnership electing out of the centralized partnership audit regime under section 6221(b)? See instructions. If "Yes," the partnership must complete Schedule B-2 (Form 1065). Enter the total from Schedule B-2, Part III, line 3 . . . . . If "No," complete Designation of Partnership Representative below.		X

**Designation of Partnership Representative** (see instructions)

Enter below the information for the partnership representative (PR) for the tax year covered by this return.

Name of PR	ECHO FINANCIAL LLC	
U.S. address of PR	2425 COLLEGE AVE FORT WORTH, TX 76110	U.S. phone number of PR (817) 797-5803
If the PR is an entity, name of the designated individual for the PR	TANNER WEST	
U.S. address of designated individual	PO BOX 8145 LONGVIEW, TX 75607	U.S. phone number of designated individual (817) 797-5803



Schedule K Partners' Distributive Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22) . . . . .	1	492,905.
	2 Net rental real estate income (loss) (attach Form 8825) . . . . .	2	
	3a Other gross rental income (loss) . . . . . 3a		
	b Expenses from other rental activities (attach statement) . . . . . 3b		
	c Other net rental income (loss). Subtract line 3b from line 3a . . . . . 3c		
	4 Guaranteed payments: a Services 4a b Capital 4b		
	c Total. Add lines 4a and 4b. . . . . 4c		
	5 Interest income . . . . . 5		
	6 Dividends and dividend equivalents: a Ordinary dividends . . . . . 6a		
	b Qualified dividends 6b c Dividend equivalents 6c		
	7 Royalties . . . . . 7		
8 Net short-term capital gain (loss) (attach Schedule D (Form 1065)) . . . . . 8			
9a Net long-term capital gain (loss) (attach Schedule D (Form 1065)) . . . . . 9a			
b Collectibles (28%) gain (loss) . . . . . 9b			
c Unrecaptured section 1250 gain (attach statement) . . . . . 9c			
10 Net section 1231 gain (loss) (attach Form 4797) . . . . . 10			
11 Other income (loss) (see instructions) Type: . . . . . 11			
Deductions	12 Section 179 deduction (attach Form 4562) . . . . . 12		
	13a Contributions . . . . . 13a		
	b Investment interest expense . . . . . 13b		
	c Section 59(e)(2) expenditures: (1) Type: (2) Amount: 13c(2)		
d Other deductions (see instructions) Type: . . . . . 13d			
Self-Employment	14a Net earnings (loss) from self-employment . . . . . SEE. STATEMENT. 2. . . . . 14a		49,290.
	b Gross farming or fishing income . . . . . 14b		
	c Gross nonfarm income . . . . . SEE. STATEMENT. 3. . . . . 14c		272,347.
Credits	15a Low-income housing credit (section 42(j)(5)) . . . . . 15a		
	b Low-income housing credit (other). . . . . 15b		
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable) . . . . . 15c		
	d Other rental real estate credits (see instructions) Type: . . . . . 15d		
	e Other rental credits (see instructions) Type: . . . . . 15e		
	f Other credits (see instructions) Type: . . . . . 15f		
International	16 Attach Schedule K-2 (Form 1065), Partners' Distributive Share Items - International, and check this box to indicate that you are reporting items of international tax relevance. . . . . <input type="checkbox"/>		
Alternative Minimum Tax (AMT) Items	17a Post-1986 depreciation adjustment . . . . . 17a		
	b Adjusted gain or loss . . . . . 17b		
	c Depletion (other than oil and gas) . . . . . 17c		
	d Oil, gas, and geothermal properties - gross income . . . . . 17d		
	e Oil, gas, and geothermal properties - deductions . . . . . 17e		
	f Other AMT items (attach statement) . . . . . 17f		
Other Information	18a Tax-exempt interest income . . . . . 18a		
	b Other tax-exempt income. . . . . 18b		
	c Nondeductible expenses . . . . . 18c		
	19a Distributions of cash and marketable securities . . . . . 19a		
	b Distributions of other property . . . . . 19b		
	20a Investment income . . . . . 20a		
	b Investment expenses . . . . . 20b		
	c Other items and amounts (attach statement) . . . . . SEE STATEMENT 3		
	21 Total foreign taxes paid or accrued . . . . . 21		

Form 1065 (2022)

**Analysis of Net Income (Loss) per Return**

1	Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 21					1	492,905.
2	Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt Organization	(vi) Nominee/Other
a	General partners						
b	Limited partners				443,615.		49,290.

**Schedule L Balance Sheets per Books**

		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		130,467.		505,380.
2a	Trade notes and accounts receivable	322,101.		680,340.	
b	Less allowance for bad debts		322,101.		680,340.
3	Inventories		4,456.		657,475.
4	U.S. Government obligations				
5	Tax-exempt securities				
6	Other current assets (attach statement)	STMT 4	17,071.		8,821.
7a	Loans to partners (or persons related to partners)				
b	Mortgage and real estate loans				
8	Other investments (attach statement)				
9a	Buildings and other depreciable assets	54,318.		189,537.	
b	Less accumulated depreciation	54,318.		189,537.	
10a	Depletable assets				
b	Less accumulated depletion				
11	Land (net of any amortization)				
12a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
13	Other assets (attach statement)	STMT 4	1,974.		15,000.
14	Total assets		476,069.		1,867,016.
Liabilities and Capital					
15	Accounts payable		343,020.		296,285.
16	Mortgages, notes, bonds payable in less than 1 year				
17	Other current liabilities (attach statement)	STMT 4	65,945.		55,722.
18	All nonrecourse loans				
19a	Loans from partners (or persons related to partners)		NONE		955,000.
b	Mortgages, notes, bonds payable in 1 year or more				
20	Other liabilities (attach statement)				
21	Partners' capital accounts		67,104.		560,009.
22	Total liabilities and capital		476,069.		1,867,016.

**Schedule M-1 Reconciliation of Income (Loss) per Books With Analysis of Net Income (Loss) per Return****Note:** The partnership may be required to file Schedule M-3. See instructions.

1	Net income (loss) per books	492,905.	6	Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Guaranteed payments (other than health insurance)		7	Deductions included on Schedule K, lines 1 through 13d, and 21, not charged against book income this year (itemize):	
4	Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 21 (itemize):		a	Depreciation \$	
a	Depreciation \$				
b	Travel and entertainment \$		8	Add lines 6 and 7	
5	Add lines 1 through 4	492,905.	9	Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	492,905.

**Schedule M-2 Analysis of Partners' Capital Accounts**

1	Balance at beginning of year	67,104.	6	Distributions: a Cash	
2	Capital contributed: a Cash		b	Property	
	b Property		7	Other decreases (itemize):	
3	Net income (loss) (see instructions)	492,905.			
4	Other increases (itemize):		8	Add lines 6 and 7	
5	Add lines 1 through 4	560,009.	9	Balance at end of year. Subtract line 8 from line 5	560,009.

Form **1125-A**

(Rev. November 2018)

Department of the Treasury  
Internal Revenue Service**Cost of Goods Sold**▶ **Attach to Form 1120, 1120-C, 1120-F, 1120S, or 1065.**  
▶ **Go to [www.irs.gov/Form1125A](http://www.irs.gov/Form1125A) for the latest information.**

OMB No. 1545-0123

Name <b>FORMATION HOLDINGS LLC</b> <b>DBA WORTH STEEL FABRICATION</b>		Employer identification number <b>86-2416907</b>
1	Inventory at beginning of year. . . . .	1 4,456.
2	Purchases . . . . .	2
3	Cost of labor . . . . .	3 561,362.
4	Additional section 263A costs (attach schedule). . . . .	4
5	Other costs (attach schedule). . . . . <b>SEE. STATEMENT. 5.</b>	5 5,677,277.
6	<b>Total.</b> Add lines 1 through 5 . . . . .	6 6,243,095.
7	Inventory at end of year. . . . .	7 657,475.
8	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions. . . . .	8 5,585,620.

**9a** Check all methods used for valuing closing inventory:

(i) ☐ Cost

(ii) ☐ Lower of cost or market

(iii) ☐ Other (Specify method used and attach explanation.) ▶

**b** Check if there was a writedown of subnormal goods . . . . . ▶ ☐

**c** Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970). . . . . ▶ ☐

**d** If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO. . . . . **9d**

**e** If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions . . . ☐ Yes ☒ No

**f** Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation . . . . . ☐ Yes ☒ No

Section references are to the Internal Revenue Code unless otherwise noted.

**What's New**

Small business taxpayers. For tax years beginning after December 31, 2017, the following apply.

- A small business taxpayer (defined below), may use a method of accounting for inventories that either: (1) treats inventories as nonincidental materials and supplies, or (2) conforms to the taxpayer's financial accounting treatment of inventories.
- A small business taxpayer is not required to capitalize costs under section 263A.

**General Instructions****Purpose of Form**

Use Form 1125-A to calculate and deduct cost of goods sold for certain entities.

**Who Must File**

Filers of Form 1120, 1120-C, 1120-F, 1120S, or 1065, must complete and attach Form 1125-A if the applicable entity reports a deduction for cost of goods sold.

**Inventories**

Generally, inventories are required at the beginning and end of each tax year if the production, purchase, or sale of

merchandise is an income-producing factor. See Regulations section 1.471-1. If inventories are required, you generally must use an accrual method of accounting for sales and purchases of inventory items.

**Exception for certain taxpayers.** A small business taxpayer (defined below), can adopt or change its accounting method to account for inventories in the same manner as material and supplies that are non-incidental, or conform to its treatment of inventories in an applicable financial statement (as defined in section 451(b)(3)), or if it does not have an applicable financial statement, the method of accounting used in its books and records prepared in accordance with its accounting procedures. See section 471(c)(3).

A small business taxpayer claiming exemption from the requirement to keep inventories is changing its method of accounting for purposes of section 481. For additional guidance on this method of accounting, see Pub. 538, Accounting Periods and Methods. For guidance on changing to this method of accounting, see Form 3115 and the Instructions for Form 3115.

**Small business taxpayer.** A small business taxpayer is a taxpayer that (a) has average annual gross receipts of \$25 million or less (indexed for inflation) for the 3 prior tax years, and (b) is not a tax shelter (as defined in section 448(d)(3)). See Pub. 538.**Uniform capitalization rules.** The uniform capitalization rules of section 263A generally require you to capitalize, or include in inventory, certain costs incurred in connection with the following.

- The production of real property and tangible personal property held in inventory or held for sale in the ordinary course of business.
- Real property or personal property (tangible and intangible) acquired for resale.
- The production of real property and tangible personal property for use in its trade or business or in an activity engaged in for profit.

A small business taxpayer (defined above) is not required to capitalize costs under section 263A. See section 263A(i).

See the discussion on section 263A uniform capitalization rules in the instructions for your tax return before completing Form 1125-A. Also see Regulations sections 1.263A-1 through 1.263A-3. See Regulations section 1.263A-4 for rules for property produced in a farming business.

Form **4562****Depreciation and Amortization**  
(Including Information on Listed Property)

OMB No. 1545-0172

**2022**Department of the Treasury  
Internal Revenue ServiceAttach to your tax return.  
Go to [www.irs.gov/Form4562](http://www.irs.gov/Form4562) for instructions and the latest information.Attachment  
Sequence No. **179**Name(s) shown on return **FORMATION HOLDINGS LLC**  
**DBA WORTH STEEL FABRICATION**Identifying number  
**86-2416907**

Business or activity to which this form relates

**FORMATION HOLDINGS LLC****Part I Election To Expense Certain Property Under Section 179****Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	1,080,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,700,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the <b>smaller</b> of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2021 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5. See instructions	11	
12	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12	
13	Carryover of disallowed deduction to 2023. Add lines 9 and 10, less line 12	13	

**Note:** Don't use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions	14	135,219.
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

**Part III MACRS Depreciation (Don't include listed property. See instructions.)****Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2022	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

**Section B - Assets Placed in Service During 2022 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

**Section C - Assets Placed in Service During 2022 Tax Year Using the Alternative Depreciation System**

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 30-year			30 yrs.	MM	S/L	
d 40-year			40 yrs.	MM	S/L	

**Part IV Summary (See instructions.)**

21	Listed property. Enter amount from line 28	21	
22	<b>Total.</b> Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions.	22	135,219.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2022)

JSA 2X2300 1.000

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**Part V Listed Property** (Include automobiles, certain other vehicles, certain aircraft, and property used for entertainment, recreation, or amusement.)**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.**Section A - Depreciation and Other Information** (Caution: See the instructions for limits for passenger automobiles.)

<b>24a</b> Do you have evidence to support the business/investment use claimed?		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<b>24b</b> If "Yes," is the evidence written?		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
<b>25</b> Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use. See instructions . . . . .							<b>25</b>	
<b>26</b> Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
<b>27</b> Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
<b>28</b> Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1. . . . .							<b>28</b>	
<b>29</b> Add amounts in column (i), line 26. Enter here and on line 7, page 1. . . . .							<b>29</b>	

**Section B - Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
<b>30</b> Total business/investment miles driven during the year ( <b>don't</b> include commuting miles) . . . . .						
<b>31</b> Total commuting miles driven during the year . . . . .						
<b>32</b> Total other personal (noncommuting) miles driven . . . . .						
<b>33</b> Total miles driven during the year. Add lines 30 through 32 . . . . .						
<b>34</b> Was the vehicle available for personal use during off-duty hours? . . . . .	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No
<b>35</b> Was the vehicle used primarily by a more than 5% owner or related person? . . . . .						
<b>36</b> Is another vehicle available for personal use?						

**Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees**Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **aren't** more than 5% owners or related persons. See instructions.

<b>37</b> Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? . . . . .	Yes	No
<b>38</b> Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners . . . . .		
<b>39</b> Do you treat all use of vehicles by employees as personal use? . . . . .		
<b>40</b> Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? . . . . .		
<b>41</b> Do you meet the requirements concerning qualified automobile demonstration use? See instructions . . . . .		

**Note:** If your answer to 37, 38, 39, 40, or 41 is "Yes," don't complete Section B for the covered vehicles.**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
<b>42</b> Amortization of costs that begins during your 2022 tax year (see instructions):					
<b>43</b> Amortization of costs that began before your 2022 tax year. . . . .					<b>43</b>
<b>44</b> <b>Total.</b> Add amounts in column (f). See the instructions for where to report . . . . .					<b>44</b>

## 2022 Depreciation

[illegible]

\*Assets Retired

JSA  
2X9027 1.000

## 2022 Depreciation

[illegible]

\*Assets Retired

JSA  
2X9027 1.000

FORM 1065 SUPPORTING SCHEDULES

LINE 14 - PAGE 1 - TAXES

SALES TAX	539,604.
FRANCHISE TAXES	3,505.
TOTAL TAXES	543,109.

LINE 15 - PAGE 1 - DEDUCTIBLE INTEREST EXPENSE NOT CLAIMED ELSEWHERE

INTEREST EXPENSE	102,750.
TOTAL DEDUCTIBLE INTEREST EXPENSE	102,750.

LINE 20 - SUMMARY OF TRAVEL, MEALS AND ENTERTAINMENT

NET MEALS & ENTERTAINMENT	7,690.
TOTAL	7,690.

LINE 20 - PAGE 1 - OTHER DEDUCTIONS

TRAVEL, MEALS, AND ENTERTAINMENT	7,690.
BANK FEE'S	1,020.
LICENSE & PERMIT FEES	2,474.
COMPUTER & INTERNET	28,155.
INSURANCE	75,369.
JOIST & DECK FINANCE FEE	89,800.
LEASED EQUIPMENT	255,184.
OFFICE SUPPLIES	11,084.
PROFESSIONAL FEES	224.
SUPPLIES	34,583.
TRAVEL EXPENSE	13,115.
UTILITIES	16,251.
AUTO EXPENSES	20,563.
LEGAL & ACCOUNTING	109,797.
ONBOARDING	140.
POSTAGE	209.
MISCELLANEOUS	26,025.
DUNNAGE	12,266.
ADVERTISING	2,980.
TOTAL OTHER DEDUCTIONS	706,929.



FORM 1065 SUPPORTING SCHEDULES

SCHEDULE K - LINE 14A - NET EARNINGS (LOSS) FROM SELF-EMPLOYMENT

1A	ORDINARY INCOME (LOSS) (SCHEDULE K, LINE 1).	492,905.
B	NET INCOME(LOSS) FROM CERTAIN RENTAL REAL ESTATE ACTIVITIES.	
C	NET INCOME (LOSS) FROM OTHER RENTAL ACTIVITIES	
D	NET LOSS FROM FORM 4797, PART II, LINE 17, INCLUDED ON LINE 1A ABOVE. ENTER AS A POSITIVE AMOUNT.	
E	COMBINE LINES 1A THROUGH 1D.	492,905.
2	NET GAIN FROM FORM 4797, PART II, LINE 17, INCLUDED ON LINE 1A ABOVE.	
3A	SUBTRACT LINE 2 FROM LINE 1E. IF LINE 1E IS A LOSS, INCREASE THE LOSS ON LINE 1E BY THE AMOUNT ON LINE 2.	492,905.
3B	PART OF LINE 3A ALLOCATED TO LIMITED PARTNERS, ESTATES, TRUSTS, CORPORATIONS, EXEMPT ORGANIZATIONS, AND IRAS	443,615.
3C	SUBTRACT LINE 3B FROM LINE 3A. IF LINE 3A IS A LOSS, REDUCE THE LOSS ON LINE 3A BY THE AMOUNT ON LINE 3B. INCLUDE EACH INDIVIDUAL GENERAL PARTNER'S SHARE ON LINE 14A OF SCHEDULE K-1	49,290.
4A	GUARANTEED PAYMENTS TO PARTNERS.	
B	PART OF LINE 4A ALLOCATED TO ESTATES, TRUSTS, CORPORATIONS, EXEMPT ORGANIZATIONS, AND IRAS	
	PART OF LINE 4A ALLOCATED TO INDIVIDUAL LIMITED PARTNERS FOR OTHER THAN SERVICES	
C	SUBTRACT LINE 4B FROM LINE 4A. INCLUDE IN EACH INDIVIDUAL GENERAL PARTNER'S SHARE AND EACH INDIVIDUAL LIMITED PARTNER'S SHARE ON LINE 14A OF SCHEDULE K-1.	
5	NET EARNINGS (LOSS) FROM SELF-EMPLOYMENT (LINE 3C + 4C)	49,290.

FORM 1065 SUPPORTING SCHEDULES

SCHEDULE K - LINE 14C - GROSS NONFARM INCOME

1A GROSS INCOME FROM NONFARM ACTIVITIES . . . . .	2,723,471.
B NET INCOME (LOSS) FROM CERTAIN RENTAL REAL ESTATE ACTIVITIES .	
C NET INCOME (LOSS) FROM OTHER RENTAL ACTIVITIES . . . . .	
LESS GUARANTEED PAYMENTS FROM SCHEDULE K, LINE 4C. . . . .	
D COMBINE LINES 1A - 1C. . . . .	2,723,471.
E PART ALLOCATED TO PARTNERS WHO ARE ESTATES, TRUSTS,	
CORPORATIONS, EXEMPT ORGANIZATIONS, IRAS, OR LIMITED PARTNERS.	2,451,124.
F SUBTRACT LINE 1E FROM LINE 1D. . . . .	272,347.
4A GUARANTEED PAYMENTS TO PARTNERS. . . . .	
B PART OF LINE 4A ALLOCATED TO ESTATES, TRUSTS, CORPORATIONS,	
EXEMPT ORGANIZATIONS, AND IRAS . . . . .	
PART OF LINE 4A ALLOCATED TO INDIVIDUAL LIMITED PARTNERS FOR	
OTHER THAN SERVICES . . . . .	
C SUBTRACT LINE 4B FROM LINE 4A. INCLUDE IN EACH INDIVIDUAL	
GENERAL PARTNER'S SHARE AND EACH INDIVIDUAL LIMITED PARTNER'S	
SHARE ON LINE 14A OF SCHEDULE K-1. . . . .	
5 GROSS NONFARM INCOME FOR SCHEDULE K, LINE 14C (LINE 1F + 4C)	272,347.

SCHEDULE K - LINE 20C - OTHER

SEC 199A INFORMATION - QBI INCOME:	
TRADE/BUSINESS-ORD BUSINESS INCOME (LOSS)	492,905.
TOTAL TRADE/BUSINESS	492,905.
SEC 199A INFORMATION - W-2 WAGES:	
TRADE/BUSINESS	1,144,171.
SEC 199A INFORMATION - UBI:	
TRADE/BUSINESS	189,537.

FORM 1065, SUPPORTING SCHEDULES

SCHEDULE L - LINE 6 - OTHER CURRENT ASSETS

	BEGINNING	ENDING
DUE FROM JAMES WOODS	4,500.	1,250.
DUE FROM USFS INDUSTRIAL	12,571.	7,571.
TOTAL OTHER CURRENT ASSETS	17,071.	8,821.

SCHEDULE L - LINE 13 - OTHER ASSETS

	BEGINNING	ENDING
SECURITY DEPOSITS	1,974.	15,000.
TOTAL OTHER ASSETS	1,974.	15,000.

SCHEDULE L - LINE 17 - OTHER CURRENT LIABILITIES

	BEGINNING	ENDING
DUE TO EFL	25,000.	NONE
DUE TO USFS	18,500.	NONE
SALES TAX PAYABLE	3,588.	21,678.
CUSTOMER DEPOSITS	18,857.	NONE
PAYROLL LIABILITIES	NONE	34,044.
TOTAL OTHER CURRENT LIABILITIES	65,945.	55,722.

FORM 1065 SUPPORTING SCHEDULES

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FORM 1125-A - COST OF GOODS SOLD AND/OR OPERATIONS-OTHER COSTS

=====

MATERIALS AND SUPPLIES

5,677,277.

TOTAL COST OF GOODS SOLD AND/OR OPERATIONS - OTHER COSTS

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5,677,277.

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Accrual Basis

**Worth Steel Fabrication****Balance Sheet**

As of April 16, 2024

	Apr 16, 24
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
10000 · Plains Operating - 8800	-97,006.89
10200 · Trinity Bank - 8877	-8,079.43
10300 · Guaranty Bank	20,075.50
Total Checking/Savings	-85,010.82
Accounts Receivable	
11000 · Accounts Receivable	484,558.21
Total Accounts Receivable	484,558.21
Other Current Assets	
Inventory	665,046.75
Prepaid Insurance	25,015.50
12000 · Undeposited Funds	3,000.00
12200 · Security Deposit - Joshua	15,000.00
Total Other Current Assets	708,062.25
Total Current Assets	1,107,609.64
Fixed Assets	
Containers	4,322.25
Machinery	22,432.81
Operating Software	59,362.59
15000 · Furniture and Equipment	36,593.66
15050 · Leasehold Improvements	291,609.04
15100 · Shop Equipment	101,161.31
16100 · Manitou Telehandler	89,609.09
16200 · Hyundai 110D-9 Forklift	204,061.33
16500 · Cobot Welder UR20	120,000.00
16700 · FMB Olimpus 3HP Saw	56,075.00
Total Fixed Assets	985,227.08
<b>TOTAL ASSETS</b>	<b>2,092,836.72</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	1,840,748.26
Total Accounts Payable	1,840,748.26
Other Current Liabilities	
Due to EFL	558,926.70
Due to Skyward Forge	498,770.14
Total Other Current Liabilities	1,057,696.84
Total Current Liabilities	2,898,445.10
Long Term Liabilities	
NP - Trinity Bank Equip LOC	468,570.42
Total Long Term Liabilities	468,570.42
Total Liabilities	3,367,015.52
Equity	
32000 · Retained Earnings	167,661.71
Net Income	-1,441,840.51
Total Equity	-1,274,178.80
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>2,092,836.72</b>

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Accrual Basis

**Worth Steel Fabrication****Profit & Loss**

January through March 2024

	Jan - Mar 24
<b>Ordinary Income/Expense</b>	
Income	
41040 · Detailing	30,147.15
41090 · Material Sales	5,500.00
42000 · Metal Fabrication	250,569.40
43000 · Scrap	4,147.68
<b>Total Income</b>	<b>290,364.23</b>
<b>Cost of Goods Sold</b>	
51000 · Equipment Rental	3,791.58
51500 · Equipment Maintenance	615.35
52000 · Freight and Shipping Costs	30,400.00
52500 · Materials	
52510 · Steel	176,237.07
52515 · Galvanizing	35,940.74
52517 · Joist & Deck Materials	5,817.00
52520 · Nuts and Washers	25,716.57
52521 · Paint	11,572.96
52524 · Treads and Grating	88,329.88
52525 · Welding materials	20,095.88
52500 · Materials - Other	1,733.48
<b>Total 52500 · Materials</b>	<b>365,443.58</b>
52530 · Other Materials	9,078.97
53000 · Payroll - COS	
53100 · Labor Payroll	282,140.16
53200 · Labor Payroll Taxes	25,768.37
<b>Total 53000 · Payroll - COS</b>	<b>307,908.53</b>
54000 · Structural Detailing	26,510.00
54150 · Subcontract - Fabrication	66,304.40
55000 · Trucking & Tolls	2,381.94
<b>Total COGS</b>	<b>812,434.35</b>
<b>Gross Profit</b>	<b>-522,070.12</b>
<b>Expense</b>	
60400 · Bank Service Charges	885.30
61600 · Cleaning Expense	422.16
61700 · Computer and Internet Expenses	6,987.62
63100 · Employee Appreciation	
63110 · Continuing Education	400.00
<b>Total 63100 · Employee Appreciation</b>	<b>400.00</b>
63200 · Fuel	2,869.69
63300 · Insurance Expense	
63310 · Auto Insurance	7,733.00
63340 · Health Insurance	5,331.44
63300 · Insurance Expense - Other	16,770.12
<b>Total 63300 · Insurance Expense</b>	<b>29,834.56</b>
63400 · Interest Expense	19,905.79
64100 · Leased Equipment	136,677.49
64200 · License, Permit, Fee	390.50
64300 · Meals and Entertainment	793.62
64600 · Onboarding	703.71
64800 · Uniforms	1,080.40
64900 · Office Supplies	1,914.14

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04/16/24

Accrual Basis

**Worth Steel Fabrication****Profit & Loss**

January through March 2024

	Jan - Mar 24
66000 · Payroll Expenses	
66100 · Salary and Wages	215,187.68
66200 · Payroll Taxes	11,815.20
66300 · Payroll Expense	1,135.78
<b>Total 66000 · Payroll Expenses</b>	<b>228,138.66</b>
66500 · Portable Toilets	754.51
66700 · Professional Fees	19,094.50
67100 · Rent Expense	44,542.66
67200 · Repairs and Maintenance	15,650.88
67400 · Safety Health & Compliance	182.61
67450 · Shipping & Postage	75.20
67500 · Shop Supplies	11,051.65
68100 · Tax	
68130 · Sales Tax	17,352.92
<b>Total 68100 · Tax</b>	<b>17,352.92</b>
68200 · Telephone Expense	329.83
68400 · Travel Expense	215.37
68500 · Truck Repair & Maintenance	854.26
68600 · Utilities	
68610 · Electricity	8,956.02
68680 · Waste	1,785.34
68690 · Water	205.33
<b>Total 68600 · Utilities</b>	<b>10,946.69</b>
<b>Total Expense</b>	<b>552,054.72</b>
<b>Net Ordinary Income</b>	<b>-1,074,124.84</b>
<b>Other Income/Expense</b>	
Other Expense	
Bad Debt	237,905.96
<b>Total Other Expense</b>	<b>237,905.96</b>
<b>Net Other Income</b>	<b>-237,905.96</b>
<b>Net Income</b>	<b>-1,312,030.80</b>

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**Worth Steel Fabrication**  
**Statement of Cash Flows**  
January through March 2024

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	<u>Jan - Mar 24</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	-1,312,030.80
Adjustments to reconcile Net Income to net cash provided by operations:	
11000 · Accounts Receivable	682,136.39
Prepaid Insurance	-343.00
20000 · Accounts Payable	361,101.00
Due to Bratjen	-100,000.00
Due to EFL	304,926.70
Due to Skyward Forge	108,770.14
25500 · *Sales Tax Payable	14,913.97
<b>Net cash provided by Operating Activities</b>	<u>59,474.40</u>
<b>INVESTING ACTIVITIES</b>	
Operating Software	-21,742.62
16700 · FMB Olympus 3HP Saw	-45,095.00
<b>Net cash provided by Investing Activities</b>	<u>-66,837.62</u>
<b>FINANCING ACTIVITIES</b>	
NP - Trinity Bank Equip LOC	54,900.00
<b>Net cash provided by Financing Activities</b>	<u>54,900.00</u>
<b>Net cash increase for period</b>	47,536.78
<b>Cash at beginning of period</b>	<u>-127,026.95</u>
<b>Cash at end of period</b>	<u><u>-79,490.17</u></u>